Council of the EU

PRESS
EN

PRESS RELEASE
848/20
01/12/2020

Council and Parliament reach provisional political agreement on cohesion policy rules

The German Presidency of the Council and the European Parliament reached a provisional political agreement on the updated rules governing the structural funds which underpin EU policy for economic, social and territorial cohesion.

The agreement covers most of the text of the new draft common provisions regulation (CPR). This overarching piece of legislation consolidates the rules for eight funds and will regulate programmes to be adopted in the 2021-2027 period.

Above all, it defines five new policy objectives which reflect the EU's political priorities and which will determine the areas of investment financed by the funds:

- a smarter Europe - innovative and smart economic transformation
- a greener, low-carbon Europe
- a more connected Europe - mobility and regional ICT connectivity
- a more social Europe - implementing the European Pillar of Social Rights
- Europe closer to citizens – sustainable and integrated development of urban, rural and coastal areas through local initiatives.

The draft regulation also introduces a number of changes, such as:

- reducing red tape for managing authorities
- increasing flexibility for more efficient allocation of resources
- strengthening the link to the European Semester
- introducing enabling conditions to be applied throughout the programming period, such as effective monitoring of public procurement, compliance with the EU Charter of Fundamental Rights and application of the UN Convention on the rights of persons with disabilities
- performing a new mid-term review in 2025 to ensure that the programmes adequately address new challenges arising in the upcoming years
- introducing a new climate monitoring mechanism for a strong contribution of the structural funds to the achievement of the EU climate targets

Crisis response

Following the COVID-19 outbreak, the existing cohesion framework proved instrumental in providing swift support to member states to tackle the initial effects of the pandemic. Based on this positive experience, a new provision has been introduced allowing for temporary measures in the use of the funds in response to exceptional and unusual circumstances.

Also in view of the economic fallout of the pandemic, member states will have additional flexibility for transferring resources between the funds to better address their specific needs.

Regions and co-financing

The new CPR slightly redefines the thresholds of the three categories of regions:

- less developed regions - GDP per capita less than 75% of the EU average
- transition regions - GDP per capita between 75% and 100% of the EU average
- more developed regions - GDP per capita above 100% of the EU average

All cohesion programmes require national contributions in addition to EU funding. The co-legislators agreed that the share of EU resources shall not be higher than:

- 85% for less developed and outermost regions
- 70% for transition regions that were classified as less developed in the 2014-2020 period
- 60% for transition regions
- 50% for more developed regions previously classified as transition regions
- 40% for more developed regions

The Cohesion Fund will still support only those member states whose GNI per capita is less than 90% of the EU average. The EU co-financing rate will not exceed 85%.

The main structural and investment funds are the European Regional Development Fund, the European Social Fund Plus and the Cohesion Fund, while the new Just Transition Fund is part of the European Green Deal. The programmes financed by these funds aim to reduce the economic and social disparities within member states and across Europe, thus reinforcing the single market.

Next steps

The full text of the draft regulation will be finalised by the co-legislators in the first months of 2021 under the Portuguese presidency.

Press office - General Secretariat of the Council of the EU
Rue de la Loi 175 - B-1048 BRUSSELS - Tel.: +32 (0)2 281 6319
press@consilium.europa.eu - www.consilium.europa.eu/press